

DE Bond Rating Remains AAA in Spite of COVID Challenges



The State of Delaware has once again received the highest possible AAA rating from three of the nation's top rating services, confirming the State's stable economic outlook for the coming year. The latest round of rating reviews from Fitch, Moody's and S&P Global Ratings precede the upcoming [competitive bid bond sale](#), intended to fund the State's ongoing capital program as well as re-funding previous bonds for debt service savings. The sale is scheduled to be held on April 14, 2021.

The rating is assigned based on criteria that include trends in the state's economy, financial performance and management, overall debt load, and long-term costs. The highest rating, Triple-A, is granted to states that are best able to meet debt obligations during periods of recession or fiscal stress. The higher a state's credit rating, the lower its cost to repay bonds.

"I want to thank State employees and the General Assembly," said Governor John Carney. "Our commitment to responsibly managing the state's spending has provided the financial resilience needed for Delaware to weather the COVID emergency. The continuing strong support of our President and Congressional delegation combined with the resiliency of all Delawareans and our business community will ensure we emerge from this pandemic stronger than ever."

[All three rating reports](#) note the importance of the state's conservative budget practices, the maintenance of financial reserves, and a proactive approach to tracking and forecasting revenues and expenditures throughout the year. Fitch states

that Delaware has “exceptional financial resilience from strong financial management,” which has allowed the state to weather the current COVID-19 pandemic while keeping a stable economic outlook.

S&P notes that “The state continues to see business growth despite the pandemic, including Barclays expanding its U.S. headquarters presence, Goldman Sachs adding a new consumer banking facility, Amazon completing four new facilities, and Incyte (a biopharmaceutical company) adding 400 more jobs.”

Moody’s reports that “Lower business costs and cost of living relative to neighboring states could continue to attract new residents as certain economic sectors have the potential to expand.”

“Thanks to a lot of hard work and the forethought of Governor Carney and his financial team, Delaware is positioned very well,” Treasurer Colleen Davis said. “Strong fiscal controls combined with my office’s handling of cash and investments instill continued confidence that allows the State to maintain its Triple-A bond rating.”

“Delaware’s Triple-A rating continues to save taxpayers millions of dollars through lower interest and financing costs,” stated Finance Secretary Rick Geisenberger. “As state and local governments around the nation wrestle with the fiscal strain of this pandemic, the re-affirmation of Delaware’s bond ratings is a testament to the State’s long-term commitment to economic and financial sustainability.”